



COMPANY UPDATE

Mintails Limited ("MLI" or "the Company") (ASX: MLI) advises that the Company has incurred substantially below budget gold production levels for the past two weeks. The current shortfall in production is due to the unavailability of critical manufactured components resulting from the ongoing NUMSA (National Union of Metalworkers of South Africa) strike, exacerbated by the continuing unavailability of the Company's higher grade open cast resources. The strike began on July 1.

The shortfall in production has resulted in the Company failing to meet production break-even. This has had an adverse impact on the Company's outstanding creditor position, with Mintails exceeding agreed terms with a number of critical suppliers. Management are maintaining a dialogue with these suppliers, who have supported the Company in the past.

As noted above, one of the main reasons that Mintails has been experiencing production declines is due to the unavailability of critical spares and supplies. The Company is experiencing an increase in lost machine time as the Company's mining contractors cannot obtain parts to repair their excavators, resulting in six of their eight machines currently on site standing idle. Both open cast mining and underground development is being significantly impacted by the unavailability of critical spares; tailings reprocessing is currently not impacted but is likely to be should the strike continue for an extended period of time.

The Company has already been operating on a reduced production basis as it awaits Department of Mineral Resources (DMR) approval to re-enter key production pits on the Main Reef and the Princess Pits. Both areas were subject to the stop order issued by the DMR in January of this year. Access was not allowed in these areas when the Company was allowed to re-commence production in February. Mintails is cautiously optimistic that the decision to allow access is imminent.

The Company will provide further updates when additional information becomes available.

On behalf of the Board;

Mark Brune
Chairman
Mintails Limited

About Mintails Limited

Mintails Limited (ASX Code: MLI) is an Australian listed company with management and operations in South Africa. Mintails processes and recovers gold from both tailings and surface resources which are present on the West Rand of South Africa's historic Witwatersrand Basin. To find out more, visit Mintails at: www.mintails.co.za